NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE (No Surface Use)

	(H) - -			
THIS LEASE AGREEMENT is made this	day of	April	, 2008, by a	nd between
Alma H. Johnson, A wi	dow			-
and, <u>DALE PROPERTY SERVICES</u> , L.L.C., <u>2100</u> Ross Aveni hereinabove named as Lessee, but all other provisions (includir 1. In consideration of a cash bonus in hand paid and described land, hereinafter called leased premises:	ue, Suité 1870 ng the completion the covenants	Dailas Texas 75201, as Lesse in of blank spaces) were prepare herein contained, Lessor hereb	ed jointly by Lessor and Lesse by grants, leases and lets ex	e. clusively to Lessee the following
-/65 ACRES OF LAND, MORE OR LESS, OUT OF THE <u>Strody Hoves Addition</u> Fort Worth, Texts IN VOLUME 388-L , PAGE	BEING LOT (F+ W) TARRANT (22	COUNTY, TEXAS, ACCO	ADDITION, AN AD RDING TO THAT CER CORDS OF TARRANT	, BLOCK \(\frac{\(\)}{\) DITION TO THE CITY OF RTAIN PLAT RECORDED COUNTY, TEXAS.
in the County of Tarrant, State of TEXAS, containing, /dispersion, prescription or otherwise), for the purpose of explosubstances produced in association therewith (including geocommercial gases, as well as hydrocarbon gases. In addition land now or hereafter owned by Lessor which are contiguous a Lessor agrees to execute at Lessee's request any additional or of determining the amount of any shut-in royalties hereunder, the	ring for, develo ophysical/seismi to the above-do or adjacent to the supplemental in	ping, producing and marketing c operations). The term "gas" escribed leased premises, this ke ne above-described leased prements for a more complete or instruments for a more complete or the struments for the struments for	oil and gas, along with all hy as used herein includes he ease also covers accretions; hises, and, in consideration of accurate description of the	ydrocarbon and non hydrocarbon lelium, carbon dioxide and other and any small strips or parcels of f the aforementioned cash bonus, land so covered. For the purpose
2. This lease, which is a "paid-up" lease requiring no renal soing thereafter as oil or gas or other substances covered he otherwise maintained in effect pursuant to the provisions hereof 3. Royalties on oil, gas and other substances produced separated at Lessee's separator facilities, the royalty shall be Lessor at the wellhead or to Lessor's credit at the oil purchase. The wellhead market price then prevailing in the same field (or prevailing price) for production of similar grade and gravity; 100 10 10 10 10 10 10	reby are product. and saved here The VY r's transportation if there is no section at the previous recapable of eights are either she of maintaining a shut-in royalty e the end of said the propose of sailure to propose section at the previous section at the previous recapable of eights are either she of maintaining a shut-in royalty e the end of said the end of	red in paying quantities from the seunder shall be paid by Lessee to the provided that Lessee such price then prevailing in the including casing head gas) and ized by Lessee from the sale in delivering, processing or other alling wellhead market price paich there is such a prevailing price its purchases hereunder; and (other producing oil or gas or other including the producing oil or gas or other gas of one dollar per acre then cover good of one dollar per acre then cover good good of the producing of good good of the producing of good good of the good good good good good good good goo	leased premises or from land to Lessor as follows: (a) For _%) of such production, to be shall have the continuing rige same field, then in the near diall other substances cover thereof, less a proportionate herwise marketing such gas of for production of similar quace) pursuant to comparable production of the primary for substances covered hereby not being sold by Lessee, such payon or before each anniversary se is otherwise being maintain in royalty shall be due until lader Lessee liable for the amount of the primary for the same such payon or before each anniversary se is otherwise being maintain in royalty shall be due until lader Lessee liable for the amount of the primary for the same such payon or before each anniversary se is otherwise being maintain.	oil and other liquid hydrocarbons be delivered at Lessee's option to the to purchase such production at trest field in which there is such a pred hereby, the royalty shall be the part of ad valorem taxes and or other substances, provided that silty in the same field (or if there is surchase contracts entered into on term or any time thereafter one or in paying quantities or such wells chewil or wells shall nevertheless or wells are shut-in or production ment to be made to Lessor or to by of the end of said 90-day period ned by operations, or if production the end of the 90-day period next ount due, but shall not operate to
be Lessor's depository agent for receiving payments regardless draft and such payments or tenders to Lessor or to the deposit address known to Lessee shall constitute proper payment. If the payment hereunder, Lessor shall, at Lessee's request, deliver to	of changes in to ory by deposit in the depository st	he ownership of said land. All pa n the US Mails in a stamped en nould liquidate or be succeeded	nyments or tenders may be may velope addressed to the depo by another institution, or for a	ade in currency, or by check or by ository or to the Lessor at the last any reason fail or refuse to accept

5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production thereform, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances. to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a unit formed by such pooling for an oil well which is not a norizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical of products the reference of the gross completion interval in the reservoir exceeds the vertical of products the reference of the gross completion interval in the reservoir exceeds the vertical of products the effective date of products. equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit or upon permanent cessation thereof. Lessee may terminate the unit by filing of record be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises

The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee No change in Lessor's until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter separately in proportion to the interest which each owns. It essee transfers is interest hereinfer in whole of in part tessee shall be televed of an obligation such a distinct of the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferree in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease as to a full or undivided interest in all or any portion of the area covered by this lease as to a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferree in proportion to the net acreage interest in this lease, the obligation to pay or tender shut-in royalties here under shall be divided between Lessee and the transferree in proportion to the net acreage interest in this lease, the obligation to pay or tender shut-in respect to any interest of the transferree in proportion of the area covered by this lease, the obligation to pay or tender shut-in respect to any interest and area covered by this lease, the obligation to the area covered by this lease, the obligation to the area covered by this lease that the transferree in proportion of the area covered by this lease, the obligation to accept the area covered by the are

the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease, and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lesser in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during

having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessoe hereupider, for a period of at least 90 days after Lessor has given Lessoe.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable

time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore sement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are

easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

atory's

ESSOR (WHETHER ONE OR MORE)	
SY: Almit Johnson	Ву:
STATE OF Texals	LEDGMENT
COUNTY OF THE HAT This instrument was acknowledged before me on the 29 day of the day o	or <u>April</u> , 2008,
STANLEY SCOTT Notary Public, State of Texas My Commission Expires May 19, 2010	Notary Public, State of Notary's name (printed): Notary's commission expires:
STATE OF COUNTY OF day on the	of, 2008,



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>

\$20.00

Filed For Registration: 05/13/2008 09:56 AM
Instrument #: D208175688
LSE 3 PGS

By:

D208175688

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